

**West Valley City
Property Management Services Agreement**

THIS AGREEMENT is made this _____ day of _____, 2009, by and between the West Valley City Redevelopment Agency (hereinafter referred to as ("RDA")), and Summit Management Group, LLC, (hereinafter referred to as "Summit").

W I T N E S S E T H :

WHEREAS, the RDA requires management services on a regular basis for the Mark IV Apartment Complex as well as other RDA-owned residential rental units; and

WHEREAS, SUMMIT is a qualified property management company with the knowledge and expertise to provide these services to the RDA; and

NOW, THEREFORE, for and in consideration of the mutual covenants made herein, the parties hereby agree as follows:

A G R E E M E N T :

1. Service Agreement.
 - a. The RDA and SUMMIT hereby agree that SUMMIT shall provide certain property management services to the RDA. These services shall be provided pursuant to the terms and conditions set forth in this Agreement, state law, City code, and any applicable rule or regulation. Initially, such property management services shall be provided for those properties specifically listed on Exhibit "A" attached hereto and incorporated by reference. Properties may be added or removed from Exhibit "A" upon written notice to Summit. Summit shall manage all properties under the terms, provisions and conditions as set forth herein.
 - b. SUMMIT agrees to perform any and all lawful things necessary for the accomplishment of the purposes of this Agreement, including but not being limited to performing the following: to ask for, demand, and receive all deposits, rents and other charges due from tenants, and give receipts therefor; and, to cause all repairs to be made as needed and to receive reimbursement from the RDA, as may be deemed advisable.
2. Services Provided by SUMMIT. SUMMIT hereby agrees to provide services, including, but not limited to:

- a. Rent collection
 - b. Monthly report to the RDA of rents, receipts and itemized expenses with back up documentation (invoices, etc.)
 - c. Execution of leases and collection/release of security deposits (including the holding of all security deposits in an account separate from other SUMMIT funds. The RDA will transfer to SUMMIT all such deposits which the RDA presently holds.) Should a tenant vacate any property and have a deposit due him, the RDA will hold SUMMIT harmless for using its reasonable judgment in returning deposits or refunding a tenant's deposit.
 - d. Execution of tenant screening techniques in accordance with the West Valley City Good Landlord Program
 - e. Marketing of available rentals
 - f. Summit shall be responsible for all indoor and outdoor maintenance and repairs of the properties including, but not limited to:

Provide and replacing light bulbs, door knobs, light switches, door locks and other misc items. Provide regular trash clean-up, basic professional carpet cleaning on tenant turnover, light painting (refreshing/touch up), putting out rodent bait, landscaping (mowing and trimming), posting notices, enforcing rules, removal of unauthorized cars, and collecting rents.

Summit shall make or cause to be made and supervise necessary repairs including but not limited to, repairing and replacing mechanical systems, HVAC units, roof repairs, drains, sub-surface utility lines, floor replacement, counter tops, bathroom fixtures, walls, parking lot repairs, exterior repairs, and other general interior repairs. Expenditures for repairs, alterations, decorations or furnishings in excess of Five Hundred Dollars (\$500.00) shall not be made without prior written consent of Owner, except in the case of emergency, or if Summit, in good faith, determines that such expenditures are necessary to protect the Property from damage, to prevent injury to persons or loss of life, or to maintain services to tenants.
 - g. Evictions:

Summit shall coordinate with the West Valley City Attorney's Office which shall pursue and perform all legal work on all evictions at the RDA's cost.
3. Minimum Service Level. SUMMIT agrees to perform the tasks set forth in

Section 2 in an efficient and professional manner, and that said services shall be provided at a level consistent with the standards set forth in the West Valley City Good Landlord Program, applicable law and the industry. The RDA will provide a copy of such Program and other materials to SUMMIT upon the execution of this Agreement

4. RDA Obligations. As consideration for the services provided by SUMMIT, the RDA agrees to pay SUMMIT the following:
 - a. The RDA shall pay SUMMIT and SUMMIT shall be entitled to a commission in the amount of eight and one-half percent (8.5%) of the gross monthly rents that are charged to tenants for the full term of this Agreement.
 - b. The RDA shall pay SUMMIT a monthly maintenance fee in the amount of Seven Thousand Dollars (\$7,000.00) for all maintenance expenses incurred pursuant to Section 2(f). The RDA will not be responsible for any expenses incurred outside the scope of Section 2(f) nor will the RDA be responsible for any expenses in excess of the maintenance fee set forth herein.
 - c. The RDA shall pay SUMMIT a fee in the amount of Fifty Dollars (\$50.00) for every new tenant that leases an RDA-owned unit.
5. Indemnification. To the fullest extent permitted by law, SUMMIT agrees to indemnify, defend, and hold the RDA harmless from and against any and all lawsuits, damages, and expenses, including court costs and attorney's fees, by reason of any claim and/or liability imposed, claimed, and/or threatened against the RDA for damages because of bodily injury, death, and/or property damages arising out of, or in consequence of, the performance of services under this Agreement, to the extent that such bodily injuries, death, and/or property damages are attributable to the negligence of SUMMIT and/or SUMMIT'S servants, agents, employees, and/or assigns. As used in this section, the RDA shall also refer to the officers, agents, assigns, volunteers, and employees of the RDA. The indemnification required by this section shall not apply to any bodily injuries, death, and/or property damages that are attributable to the sole negligence of the RDA.
6. Independent Contractor.
 - a. SUMMIT shall be an independent contractor and, as such, shall have no authorization, expressed or implied, to bind the RDA to any agreements, settlements, liability, or understanding whatsoever. SUMMIT agrees not to perform any acts as agent for the RDA, except as expressly set forth in this Agreement. SUMMIT shall not represent itself to anyone as an employee of the RDA, but shall only represent itself as an independent

contractor.

- b. SUMMIT shall be responsible for its own actions, specifically including liability resulting therefrom, and also including, but not limited to, benefits, insurance, workers compensation, and/or other applicable items.
 - c. The RDA shall not provide SUMMIT' worker's compensation insurance, unemployment compensation insurance, or health insurance. Nothing in this Agreement shall be construed as entitling SUMMIT to any benefits, compensation, retirement, or protections provided by the RDA to RDA employees. As an independent contractor, SUMMIT shall be responsible for personal insurance coverage and shall hold the RDA harmless and indemnify the RDA from and against any and all claims related to unemployment compensation and / or worker's compensation relating to all SUMMIT employees, agents, etc.
7. Term. The term of this Agreement shall run from the date of its execution for one year and at the RDA's discretion, shall be renewable on a month-to-month basis.
8. Termination of Agreement.
- a. Either party may terminate this Agreement without cause by giving the other party thirty days (30) days prior written notice.
 - b. Within 48 hours of the termination of this Agreement or at the end of the term of this Agreement, SUMMIT shall return to the RDA any RDA equipment or documents that it may have in its possession.
9. Insurance.
- a. SUMMIT will maintain insurance coverage throughout the term of the Agreement. Insurance coverage will include:
 - 1) Worker's Compensation
 - State Statutory
 - Employer's Liability \$100,000
 - 2) Comprehensive General Liability
 - Bodily Injury and Property Damage \$2,000,000
 - Combined Single Limit \$2,000,000
 - 3) Automobile Liability
 - Combined Single Limit \$2,000,000

Each policy shall name West Valley City, its employees and agents as additionally insured.

10. Applicable Laws.

- a. SUMMIT shall obey all laws, ordinances, regulations, and rules of the federal, state, county, and municipal governments that may be applicable to SUMMIT'S actions pursuant to this Agreement.
- b. If SUMMIT'S actions constitute or cause a violation of federal, state, or local law, said actions shall constitute a breach of this Agreement, and SUMMIT shall hold the RDA harmless from any and all liability arising out of, or in connection with, said violations, including any attorney's fees and costs incurred by the RDA as a result of such violations.
- c. This Agreement shall be construed under and in accordance with the laws of the State of Utah.

11. Notices. Any notice required by this Agreement may be served by mailing or delivering such notice to the following addresses:

If to the RDA: West Valley City Redevelopment Agency
 Attn: Doris Larsen
 3600 Constitution Boulevard
 West Valley City, Utah 84119

If to SUMMIT: Summit Management Group, LLC
 Attn: Dee R. Hansen
 5445 South Highland Dr., Suite 200
 Salt Lake City, UT 84117
 Phone: (801) 274-2002
 Cell: (801) 540-2002
 Email: **dhansen@thedrhcompany.com**

Either party may change its address upon notice to the other party.

12. RDA Representative. The RDA hereby appoints Brent Garlick, or his designee, as the RDA's representative to assist in the administrative management of this Agreement, to ensure that the work to be performed by SUMMIT is timely and adequately performed, and to provide for RDA approvals as may be required by this Agreement. The RDA's representative shall assist in coordinating, monitoring, and evaluating this Agreement to completion.

13. Attorney's Fees. In the event of default hereunder, the defaulting party agrees to pay all costs incurred by the non-defaulting party in enforcing this Agreement, including reasonable attorney's fees, whether by in-house or outside counsel, and whether incurred through initiation of legal proceedings or otherwise.

14. Entire Agreement. This Agreement contains the entire agreement between the parties, and no statement, promise, or inducements made by either party or agents for either party, which are not contained in this written Agreement, shall be binding or valid; and this Agreement may not be enlarged, modified, or altered, except in writing signed by both parties.
15. Assignment. This Agreement may not be transferred or assigned by SUMMIT without the written permission of the RDA, which may be withheld at the RDA's sole discretion.
16. Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain valid and binding upon the parties. One or more waiver of any term, condition, or other provision of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same or any other provision.
17. RDA Direction/Information. SUMMIT shall send all reports, correspondence, and monies owing to the RDA to the address indicated in Section 11 of this Agreement.

IN WITNESS WHEREOF, the parties have hereto set their hands the day and year first above written.

West Valley City Redevelopment Agency

Executive Director

ATTEST:

Secretary

APPROVED AS TO FORM
WVC RDA Attorney's Office

By: _____

Date: _____

Summit Management Group, LLC
A Utah Limited Liability Company

By: _____

Its: _____

State of _____)
County of _____) :SS

On this _____ day of _____, 2009, personally appeared before me _____, [name of person(s)], whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who affirmed that he/she is the _____ of Summit Management Group, LLC, by authority of its members or its articles of organization, and he/she acknowledged to me that said limited liability company executed the same.

Notary Public

EXHIBIT "A"

Single Family Residents

3521 South Holmberg St
15-33-126-002

3527 South Holmberg St
15-33-126-003

3537 South Holmberg St
15-33-126-004

3549 South Holmberg St
15-33-126-005

3559 South Holmberg St
15-33-126-006

2940 West Lehman Ave
15-33-126-018

2926 West Lehman Ave
15-33-126-019

3170 West Lehman Ave
15-33-126-020

2884 West Lehman Ave
15-33-126-022

4478 Hawarden Dr.
21-05-427-015

Multi Family

Mark IV
2895 West 3500 South
15-33-126-026

Trailer Park
2939 West 3500 South
15-33-126-025

Commercial Properties

Good Year
2851 West 3500 South
15-33-127-001

Midas
2945 West 3500 South
15-33-126-024

Dr Brown Office Building
2727 West 3500 South
15-33-129-030